

Senate Study Bill 3192 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON BOLKCOM)

A BILL FOR

1 An Act making the research activities tax credits nonrefundable
2 and including effective date and applicability provisions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 15.335, subsection 8, Code Supplement
2 2011, is amended by striking the subsection and inserting in
3 lieu thereof the following:

4 8. Any credit in excess of the tax liability is not
5 refundable but the excess for the tax year may be credited to
6 the tax liability for the following seven tax years or until
7 depleted, whichever is the earlier.

8 Sec. 2. Section 15.335, subsection 9, Code Supplement 2011,
9 is amended to read as follows:

10 9. The department of revenue shall by February 15 of
11 each year issue an annual report to the general assembly
12 containing the total amount of all claims made by employers
13 under this section, ~~and the portion of the claims issued as~~
14 refunds, and the portion of the claims available to claimants
15 for carryforward into future years, for all claims processed
16 during the previous calendar year. The report shall contain
17 the name of each claimant for whom a tax credit in excess of
18 five hundred thousand dollars was issued and the amount of the
19 credit received.

20 Sec. 3. Section 15A.9, subsection 8, paragraph d, Code
21 Supplement 2011, is amended by striking the paragraph and
22 inserting in lieu thereof the following:

23 *d.* Any credit in excess of the tax liability is not
24 refundable but the excess for the tax year may be credited to
25 the tax liability for the following seven tax years or until
26 depleted, whichever is the earlier.

27 Sec. 4. Section 422.10, subsection 4, Code Supplement 2011,
28 is amended by striking the subsection and inserting in lieu
29 thereof the following:

30 4. Any credit in excess of the tax liability is not
31 refundable but the excess for the tax year may be credited to
32 the tax liability for the following seven tax years or until
33 depleted, whichever is the earlier.

34 Sec. 5. Section 422.10, subsection 6, Code Supplement 2011,
35 is amended to read as follows:

1 6. The department shall by February 15 of each year issue
2 an annual report to the general assembly containing the total
3 amount of all claims made by employers under this section, ~~and~~
4 the portion of the claims issued as refunds, and the portion of
5 the claims available to claimants for carryforward into future
6 years, for all claims processed during the previous calendar
7 year. The report shall contain the name of each claimant for
8 whom a tax credit in excess of five hundred thousand dollars
9 was issued and the amount of the credit received.

10 Sec. 6. Section 422.33, subsection 5, paragraph e, Code
11 Supplement 2011, is amended by striking the paragraph and
12 inserting in lieu thereof the following:

13 e. Any credit in excess of the tax liability is not
14 refundable but the excess for the tax year may be credited to
15 the tax liability for the following seven tax years or until
16 depleted, whichever is the earlier.

17 Sec. 7. Section 422.33, subsection 5, paragraph h, Code
18 Supplement 2011, is amended to read as follows:

19 h. The department shall by February 15 of each year issue
20 an annual report to the general assembly containing the total
21 amount of all claims made by employers under this subsection,
22 ~~and~~ the portion of the claims issued as refunds, and the
23 portion of the claims available to claimants for carryforward
24 into future years, for all claims processed during the previous
25 calendar year. The report shall contain the name of each
26 claimant for whom a tax credit in excess of five hundred
27 thousand dollars was issued and the amount of the credit
28 received.

29 Sec. 8. EFFECTIVE DATE. This Act takes effect on January
30 1, 2013.

31 Sec. 9. APPLICABILITY. This Act applies to tax years
32 beginning on or after January 1, 2013.

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EXPLANATION

34 This bill relates to the research activities credits for
35 the individual and corporate income tax, and the research

1 activities credits awarded by the economic development
2 authority. Under current law, all research activities credits
3 are refundable. The bill amends the credits to make them
4 nonrefundable and eligible for carryforward for seven years.

5 The bill also requires that the department include data on
6 credits available to claimants for carryforward into future
7 years in its annual report to the general assembly.

8 The bill takes effect on January 1, 2013, and applies to tax
9 years beginning on or after that date.